



**ALASKA DEPARTMENT OF LABOR  
& WORKFORCE DEVELOPMENT**

# **Introduction to Social Security Work Incentives**

**3.19.14**

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network



Presented by the Disability Employment Initiative (DEI) – a Federal grant operated by the Alaska Dept. of Labor and Workforce Development (DOL&WD), Employment Security Division (ESD)

***Jobs are Alaska's Future***

# Objectives

- Understand the two types of Social Security Disability programs
- Become familiar with the work incentives available for each disability program to help you become self-sufficient

**Knowledge is power!**

**Each disability program  
offers different work  
incentives so let's  
understand the type of  
disability benefit you  
receive first.**

**Social Security  
Administration offers  
two (2) disability  
programs, SSDI and  
SSI.**

**So what's the difference  
between the two?**

# Basics of **SSDI** & **SSI**

## **Social Security Disability Insurance (SSDI)**

- SSDI amount is based on work credits OR based on the earnings of a parent or spouse
- Disability trust fund (FICA taxes)
- Medicare

## **Social Security Income (SSI)**

- Based on financial needs - limited income or resources
- Provides cash to meet basic needs for food, clothing and shelter
- SSI recipients usually receive full benefits of \$721/month (2014)
- General tax revenue
- Medicaid

# **What are work incentives?**

- They are rules to encourage you to try working
- Keep your benefits while you try working
- Different work incentives for each program

**What are work incentives  
for SSDI and SSI?**



**Here is a summary  
comparison. . .**

# SSI/SSDI Work Incentives Summary

## SSDI

- 9-month Trial Work period \$770 (2014)
- 36-month Extended Period of Eligibility (EPE) keep SSDI if earnings are below the SGA level \$1,070 (2014)
- Deductions such as IRWE, Subsidy, Special Conditions to reduce countable earnings
- 60-month expedited reinstatement
- No medical review if enrolled with EN and making timely progress
- Medicare continues for 93 months (7 yrs. & 9 mo.) after Trial Work
- Medicaid buy-in option
- If SSA determines you're no longer disabled, SSDI/SSI cash benefits and Medicare/Medicaid continue under Section 301 if you qualify

## SSI

- SSA counts less than half of gross earnings received during a month
- Keep SSI benefits if countable earnings are below the break-even point
- \$85 exclusions and deductions such as IRWE, BWE, PASS to reduce countable income
- 60-month expedited reinstatement
- No medical review if enrolled with EN and making timely progress
- 1619 (b) extended Medicaid coverage - Medicaid through state protected up to \$56,786 (2014) and resources under \$2,000
- Medicaid buy-in option
- If SSA determines you're no longer disabled, SSDI/SSI cash benefits and Medicare/Medicaid continue under Section 301 if you qualify

**Let's get down to the  
details of the SSDI  
work incentives.**

# **SSDI** Work Incentives

**9-month Trial Work Period  
(TWP)**

# SSDI Work Incentives

## 9-month Trial Work Period (TWP)

- you get to keep your SSDI check without reduction
- any month you earn over \$770 (2014) from work or work 80 hours on your business that month counts as TWP
- TWP months don't have to be consecutive
- If all 9 months TWP are not used within 5 years, you get another 9 new trial work months
- Medicare coverage continues for at least 93 months (7 years and 9 months) after TWP ends as long as you meet the SSA disability requirement
- After the 93 months, you may be able to purchase Medicare coverage through Medicaid Buy-In



# **SSDI** Work Incentives

**9-month Trial Work Period  
(TWP)**



**36-month  
Extended Period of  
Eligibility (EPE)**

# SSDI Work Incentives

**After the TWP, you get 36 consecutive months or 3 years of Extended Period of Eligibility (EPE)**



- SSA looks at your earnings at a Substantial Gainful Activity (SGA) level
- Automatic reinstatement - you don't have to file a new application if your earnings drop below SGA
- SGA for non-blind \$1,070 (2014); blind \$1,800 (2014)
- The first month you earn at SGA is called the CESSATION MONTH. You get to keep your SSDI check for this month and for the next two months regardless of your earnings for those two months
- After 3 months, you get SSDI check if earnings are below the SGA level
  - At or above SGA = no check
  - Below SGA = check
- Medicare coverage continues as long as you meet the SSA disability requirement

# **SSDI Work Incentives**

**Deductions to help you lower your countable income below the SGA level:**

- Impairment related work expense (IRWE)
- Subsidy
- Special conditions



# SSDI Work Incentives

## Impairment related work expense (IRWE)

- SSA deducts out-of-pocket expense for certain disability-related items or services
- Expense must be related to disability and something you need in order to work

**Example:** specialized work-related equipment, certain transportation costs

- Expense is deducted from gross earnings
- This deduction applies after the 9-month trial work period

# SSDI Work Incentives

## Subsidy

- Any extra support that your employer provides

**Example:** if your employer allows you to work fewer duties because of your disability or if employer gives frequent breaks

- SSA deducts the value of extra assistance provided by employer from your gross earnings to determine the value of your own work
- This deduction applies after the 9-month trial work period

# SSDI Work Incentives

## Special Conditions

- Support or services provided by someone other than your employer  
**Example:** job coach hired by VR agency or employer
- SSA deducts the value of extra assistance provided by job coach from gross earnings to determine the value of work
- This deduction applies after the 9-month trial work period

# **SSDI** Work Incentives

**9-month Trial Work Period  
(TWP)**




**5-year  
Expedited Reinstatement  
Period (EXR)**

**36-month  
Extended Period of  
Eligibility (EPE)**



# SSDI Work Incentives

## 60-month or 5 year Expedited Reinstatement Period (EXR)



5-year  
Expedited Reinstatement  
Period (EXR)

- After the date your SSDI check is terminated you have 5 years to reinstate previous claim if you stop working due to your original disability
- Don't have to file a new application you just have to let SSA know that you stopped working due to your previous disability
- SSA conducts a medical review to determine if you still meet your disability qualification
- You get 6 months provisional benefits while SSA is making determination
- You get to keep the 6 months benefits without overpayment if medical condition doesn't prevent you from working
- May also be eligible for Medicare and/Medicaid coverage
- After receiving 24 months of SSDI benefits, you get a new set of work incentives e.g. TWP, EPE, etc.

# SSDI Work Incentives

## When SSDI benefits are terminated?

- Your SSDI cash benefits will be terminated based on when the cessation month occurred.
- The Cessation Month is the first month you earned at or above SGA and this could happen during the EPE or after the EPE.
- SSDI cash benefits will never be terminated based on earnings above SGA during EPE. Suspension is the term when you're not receiving cash benefits due to earnings at or above SGA during the EPE.
- Your benefits could be terminated if SSA finds that you're no longer considered disabled according to their rule unless you're eligible for a provision called Section 301.
- Keep your disability status by assigning your Ticket with an approved Employment Network and make timely progress on your work plan.

# SSDI Work Incentives

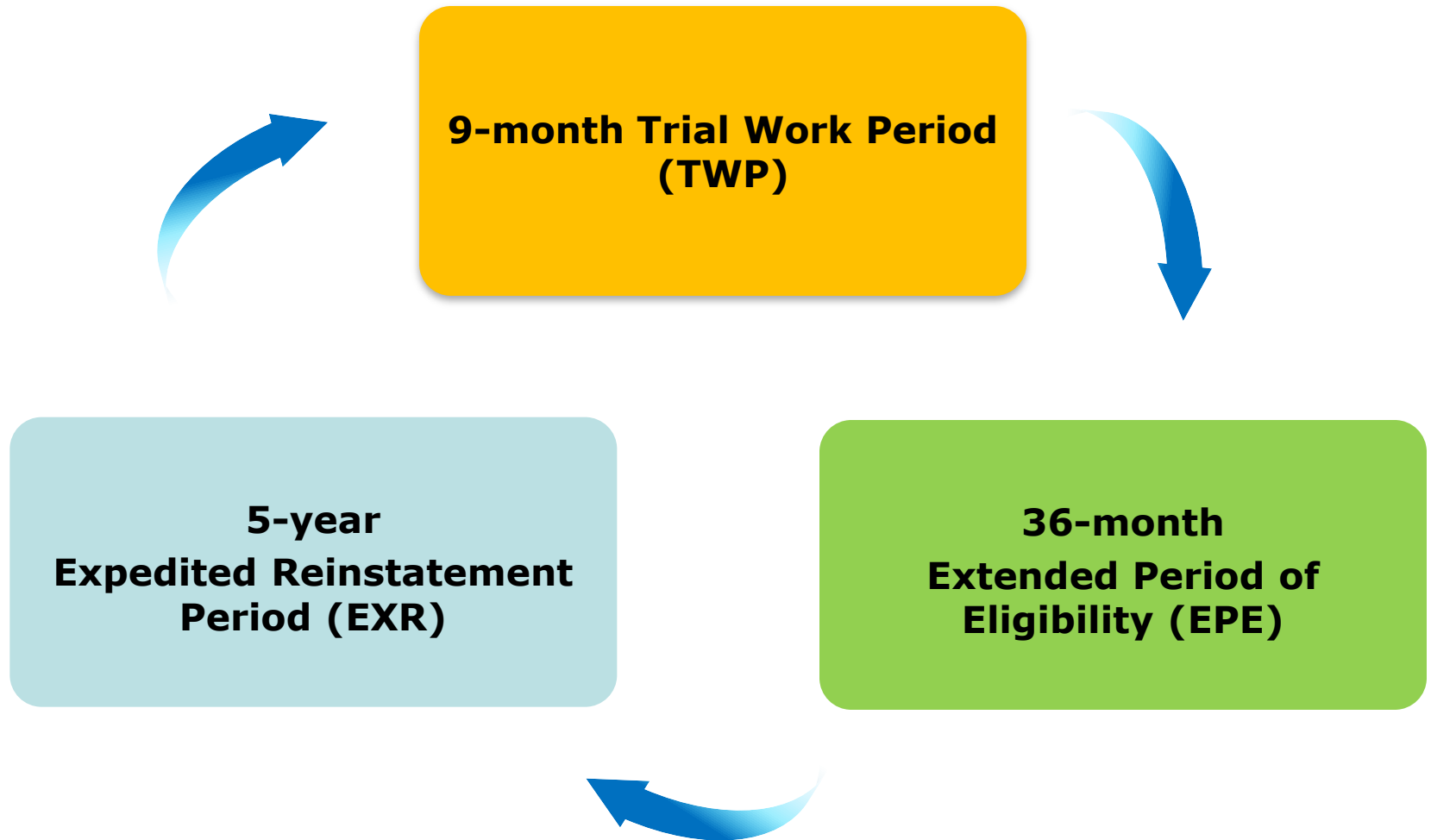
## How does the Cessation Month work?

**Note:** The Cessation Month is the first month you earned at or above SGA and this could happen during the EPE or after the EPE.

**Case 1:** If the cessation month happens **during the EPE** then **your SSDI cash benefits will be terminated on the 37<sup>th</sup> month**. You can file for Expedited Reinstatement within 5 years of the termination month.

**Case 2:** If the cessation month happens **after EPE** (this could happen on the 1<sup>st</sup> month or the 11<sup>th</sup> month after EPE), you get your SSDI check for the first 3 months then **SSDI cash benefits will be terminated on the 4<sup>th</sup> month**. You can file for Expedited Reinstatement within 5 years of the termination month.

# **SSDI** Work Incentives





**Now that you know  
about the work  
incentives available for  
SSDI, let's talk about the  
work incentives for SSI.**

# SSI Work Incentives

## **SSA counts less than half of your gross earned income**

- A total of \$85 exclusions
- After the first \$85 are excluded, SSA counts half of your earnings against your SSI rate
- You're SSI will be reduced to zero if your earnings are high enough to reach the break-even point
- The break-even point for person without unearned income for 2014, receiving the maximum Federal Benefit Amount of \$721 is \$1,527 per month
- Break-even point for person with unearned like SSDI will vary due to its amount

**Here's a scenario. . .**

**Let's say you receive  
\$885 gross earnings in a  
month.**

**How do these earnings  
impact your **SSI** benefits?**

**Let's take a look at this calculation.**

# SSI Work Incentives

## Example:

\$885 in gross earnings  
- 85 exclusions  
\$800

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Then, half of \$800 is \$400

- \$400 is your countable income
- \$400 counts against SSI

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\$721 maximum SSI federal benefit rate (2014)  
- 400  
**\$321 adjusted SSI**

**Instead of receiving  
\$721 (2014) from SSI,  
you actually increase  
your income to \$1,206!**

**\$885 wages**

**+ \$321 adjusted SSI check**

**\$1,206 total income for the month**

**So you actually have  
MORE income when you  
go to work!**



# SSI Work Incentives

**Deductions to help you lower your countable income below the break-even point:**

- Impairment related work expense (IRWE)
- Blind work expense (BWE)
- Plan to achieve self-support (PASS)

# SSI Work Incentives

## IRWE

- SSA deducts out-of-pocket expense for certain disability-related items or services
- Expense must be related to disability and something you need in order to work

***Example:*** specialized work-related equipment, certain transportation costs

- SSA has to approve your IRWE

# SSI Work Incentives

## BWE

- Disability based on blindness

***Example:*** transportation to and from work, meals eaten during work hours, taxes

- SSA has to approve your BWE

# SSI Work Incentives

## PASS

- SSA allows you to set aside any income you have (except your SSI benefit) and/or any resources you have if they are used towards reaching your work goal

**Example:** expenses to pay for continuing your education or even for starting your own business

- SSA has to approve your PASS
- Once approved, SSA does not count any income or resources you set aside under your PASS when they determine your SSI check
- You could continue to receive SSI cash while you work part-time or go to school

# SSI Work Incentives

## **If SSI stops because EARNINGS reached the break-even point**

- Benefit can start again if you stop working or your earnings decrease
- You do not need to file a new application, you just let SSA know that your status has changed
- Medicaid continues until you earn above the threshold of \$56,786 (2014)
- If you have high medical costs, SSA may figure a higher earnings limit for you
- It is possible for some SSI beneficiaries to earn significant amounts of money and keep Medicaid through a Medicaid Buy-In or Miller's Trust

# SSI Work Incentives

## **60-month or 5 year Expedited Reinstatement Period (EXR)**

- After the date your SSI benefit is terminated you have 5 years to reinstate previous claim if you stop working due to your original disability
- Don't have to file a new application you just have to let SSA know that you stopped working due to your previous disability
- SSA conducts a medical review to determine if you still meet your disability qualification
- You get 6 months provisional benefits while SSA is making determination
- You get to keep the 6 months benefits without overpayment if medical condition doesn't prevent you from working
- May also be eligible for Medicaid coverage

# SSI Work Incentives

## When SSI benefits are terminated?

- Your SSI benefits will be terminated after the 12-month suspension period
- Your benefits could be terminated if SSA finds that you're no longer considered disabled according to their rule unless you're eligible for a provision called Section 301.
- Keep your disability status by assigning your Ticket with an approved Employment Network and make timely progress on your work plan.

# SSI Work Incentives

## 12-month suspension period

- SSA will put you on a 12-month suspension period beginning the month you're no longer eligible for 1619 (b) due to earnings above the threshold level
- Or you're no longer eligible for SSI cash benefits because of excess resources (>\$2,000)
- You have 12 consecutive months to regain eligibility without filing a new application if earnings dropped below the threshold level or resources dropped below the resource limit



**Ok, let's talk about other  
work incentives that are  
available for SSDI and  
SSI.**

# Other **SSDI** / **SSI** **Work Incentives**

**You receive medical Continuing Disability Review (CDR) protection if:**

1. Enrolled in the Ticket to Work program with an approved Employment Network (EN) such as the Alaska Job Center Network or Division of Vocational Rehabilitation, and
2. Making timely progress on your work plan

**You don't have to worry about losing your disability status!**

# Other **SSDI** / **SSI** Work Incentives

## **To participate in the Ticket to Work:**

1. between 18 and 64 years old (or before you turn to full retirement age), and
2. currently receiving SSDI or SSI cash benefits

# Other **SSDI** / **SSI** **Work Incentives**

## **Section 301**

If SSA determines that you're no longer considered "disabled" according to their rule, you continue to receive SSDI/SSI cash benefits and Medicare/Medicaid if you're eligible for Section 301.

Link to SSA Policy: <https://secure.ssa.gov/poms.NSF/lnx/0414505010>

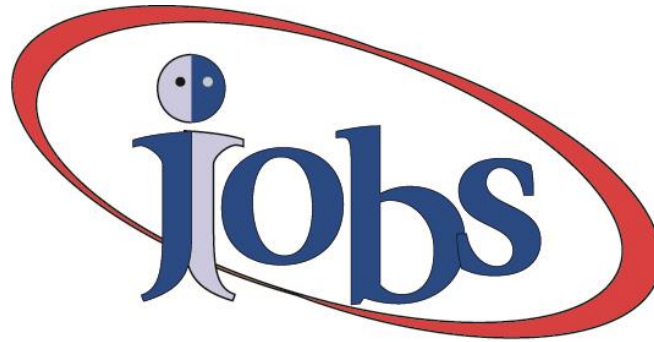
# Other SSDI / SSI Work Incentives

## Section 301 requirements:

1. You no longer meet the medical requirements for disability benefits – meaning you've medically recovered.
2. You are participating in an approved program with an Employment Network such as the Alaska Job Center Network or the Division of Vocational Rehabilitation or are completing a PASS plan (Plan to Achieve Self-Support).
3. Your participation in the approved program should begin BEFORE your disability ends. This means that your Individual Work Plan (IWP with an EN) or Individual Plan for Employment (IEP with DVR) must be signed or a PASS plan must be approved before the date SSA finds that you're no longer considered disabled.
4. SSA will decide if your continued participation in the program will increase the likelihood that you will not have to return to the disability or blindness benefit rolls.

# **Concurrent Benefits Work Incentives**

**If you receive both SSDI and SSI benefits, all  
of the work incentives for both programs  
apply to you!**



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